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**May 12, 2011**

**FOR IMMEDIATE RELEASE**

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### **FATHER, SON AND DAUGHTER INDICTED FOR FRAUDULENTLY BILLING NSA BY MORE THAN \$1.455 MILLION**

Baltimore, Maryland - A federal grand jury has returned an indictment charging three family members with conspiracy to commit wire fraud arising from a fraudulent billing scheme. The indictment charges William Turley, age 70, of Annapolis, Maryland; his son Donald Turley, age 53, of Owings Mills, Maryland; and his daughter Christina Turley Knott, age 50, of Edgewater, Maryland, in the conspiracy. The indictment further charges William and Donald Turley with wire fraud and Christina Turley Knott with subscribing to a false tax return.

The indictment was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; George Ellard, Inspector General of the National Security Agency; Special Agent in Charge Rebecca Sparkman of the Internal Revenue Service - Criminal Investigation, Washington, D.C. Field Office; and Special Agent in Charge Robert Craig of the Defense Criminal Investigative Service - Mid-Atlantic Field Office.

According to the five count indictment, William Turley owns a manufacturing company located in Upper Marlboro, Maryland, and was president of the company from 1966 until his resignation on November 19, 2008. The company manufactures metal, plastic and sheet metal parts, and other specialty items for customers, including the National Security Agency (NSA). Donald Turley worked at his father's company until 2008, and served as the program manager on the NSA contract. Christina Turley Knott worked as a bookkeeper at her father's company until 2005, preparing and submitting invoices to the NSA for the time and materials used to produce products ordered by NSA.

The indictment alleges that from 1997 until August 1, 2008, the three defendants instructed employees to inflate the amount of hours they spent working on NSA jobs and in some cases, to misreport the time they spent working on NSA jobs. William and Donald Turley allegedly became aware that from 2002 through 2005, Christina Knott embezzled approximately \$4.5 million from the company, but chose not to pursue claims against Knott for fear that she would reveal their scheme to defraud NSA. The indictment alleges that Christina Knott did not report the embezzled funds as income on her 2004 federal income tax return.

The indictment seeks forfeiture of \$1,455,174, believed to be the amount of payments fraudulently received from NSA, as well as residences in Annapolis and Owings Mills, Maryland; and in Palm Beach, Florida.

All three defendants face a maximum sentence of 20 years in prison for the conspiracy; William and Donald Turley face a maximum sentence of 20 years in prison for wire fraud; and Christina Turley Knott faces a maximum sentence of three years in prison for subscribing to a false tax return. The initial appearances of the defendants will be scheduled in U.S. District Court in Baltimore at a date not yet determined.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

United States Attorney Rod J. Rosenstein praised the NSA-OIG, IRS- Criminal Investigation and the DCIS for their work in the investigation. Mr. Rosenstein thanked Assistant United States Attorney Leo Wise, who is prosecuting the case.

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